

# Bank Rakyat Indonesia Tbk (BRI)

## Didukung Penurunan Biaya Dana

Hingga 3Q21, BRI mencatatkan pertumbuhan kredit konsolidasi 9,74% YoY menjadi senilai IDR 1.026 triliun. Kredit ini ditopang oleh Usaha Mikro Kecil Menengah (UMKM) yang tumbuh hingga 12,5% YoY menjadi senilai IDR 848,6 triliun. Kenaikan ini mendorong porsi UMKM BRI naik menjadi 82,67% dari total kredit. Sementara itu, kredit korporasi senilai IDR 177,84 triliun.

### CoF Turun menjadi 2,14%

- Di sisi lain, *non-performing loan* (NPL) relatif terkendali dari 3,02% menjadi 3,29%. NPL coverage mencapai 259,70%, di tengah restrukturisasi kredit BRI yang melandai.
- Dana pihak ketiga (DPK) BRI senilai IDR 1.135,3 triliun periode 9M21, didukung oleh rasio dana murah *Current Account Saving Account* (CASA) sebesar 59,60%.
- Kenaikan rasio CASA 58 bps secara tahunan ini, berdampak pada turunnya biaya dana (*Cost of Fund/CoF*) turun menjadi 2,14%.
- Pertumbuhan ini membuat aset BRI naik 11,87% YoY menjadi senilai IDR 1.619,7 triliun.
- Dari sisi likuiditas, tingkat *loan to deposit ratio* (LDR) di level 83,27%, dengan *Capital Adequacy Ratio* (CAR) di level 24,54%.

### Mempertahankan Overweight dengan TP IDR 4.800

- Kami mempertahankan rating Overweight dengan menaikkan target harga menjadi IDR 4.800/lembar.
- Target harga kami mencerminkan forward PBV FY21/22 pada level 2,2x/2,1x. Sejumlah faktor yang menjadi pertimbangan kami, seperti: dukungan pemerintah pada pemulihan sektor UMKM, CoF menurun yang akan mendorong perbaikan Net Interest Margin (NIM), dan likuiditas melimpah sebagai modal ekspansi kredit di 2022.
- Di sisi lain, kami tetap mencermati sinergi antara Pegadaian dan Permodalan Nasional Madani (PNM) yang lebih lambat, dan belum pulihnya ekonomi domestik.
- Manajemen BRI menargetkan pertumbuhan kredit sebesar 6%-7%, dengan NPL dijaga pada kisaran 3,3%-3,5%. Dari sisi profitabilitas, BRI mematok NIM di sekitar level 6,7%.

### Bank Rakyat Indonesia Tbk | Summary (IDR bn)

	2020/12A	2021/12E	2022/12E	2023/12E
Interest Income	116,933	125,566	131,119	137,877
<i>Interest Income growth</i>	-4.0%	7.4%	4.4%	5.2%
Operating Revenue	109,555	126,513	130,886	138,708
Net profit	18,655	28,238	35,289	43,082
EPS (IDR)	123	187	233	285
<i>EPS growth</i>	-45.7%	51.4%	25.0%	22.1%
BVPS (IDR)	1,321	1,887	1,990	2,133
Net Interest Margin	5.8%	6.4%	6.2%	6.3%
Loan/Deposits	84.0%	87.6%	88.3%	89.1%
NPL	2.9%	3.6%	3.3%	3.4%
ROE	9.1%	11.6%	12.0%	13.8%
ROA	1.3%	1.8%	2.1%	2.5%
Non-Int. Inc. /Op. Rev	27.7%	25.4%	26.5%	26.0%
P/E	33.0x	25.7x	20.6x	16.9x
P/BV	3.1x	2.5x	2.4x	2.3x
DPS (IDR)	136	80	117	149
<i>Dividend yield</i>	3.4%	1.7%	2.4%	3.1%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

## Overweight

Target Price (IDR)	4,800
Consensus Price (IDR)	4,832
TP to Consensus Price	-0.7%
vs. Last Price	+13.7%

### Shares data

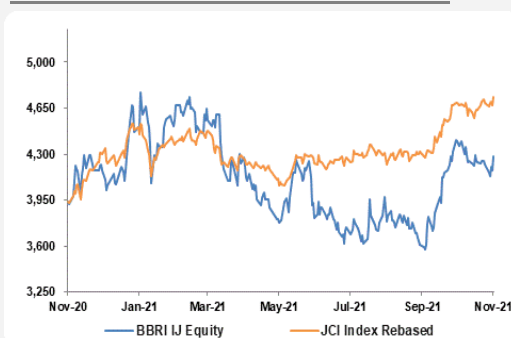
Last Price (IDR)	4,220
Price date as of	Nov. 25, 2021
52 wk range (Hi/Lo)	4,829 / 3,500
Free float (%)	43.1
Outstanding sh. (mn)	151,277
Market Cap (IDR bn)	638,388
Market Cap (USD mn)	44,677
Avg. Trd Vol - 3M (mn)	205.23
Avg. Trd Val - 3M (bn)	813.41
Foreign Ownership	23.3%

### Finance

#### Bank

Bloomberg	BBRI IJ
Reuters	BBRI.JK

### Share Price Performance



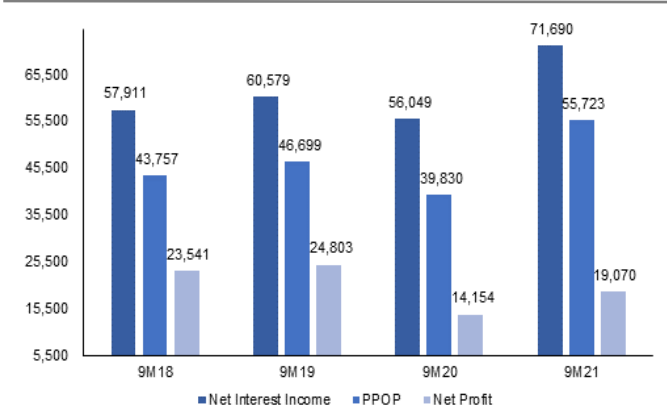
	YTD	1M	3M	12M
Abs. Ret.	5.2%	-2.7%	13.1%	8.6%
Rel. Ret.	-7.2%	-3.7%	0.9%	-11.5%

### Arief Machrus

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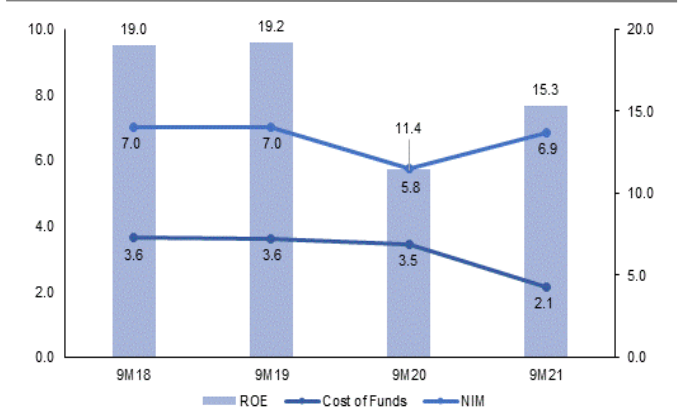
# Performance Highlights

## Financial Performance (IDR Bn)



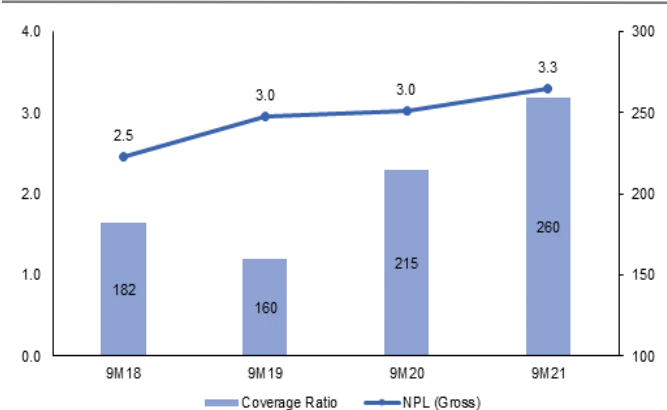
Source: Company, NHKSI Research

## Profitability Ratios (%)



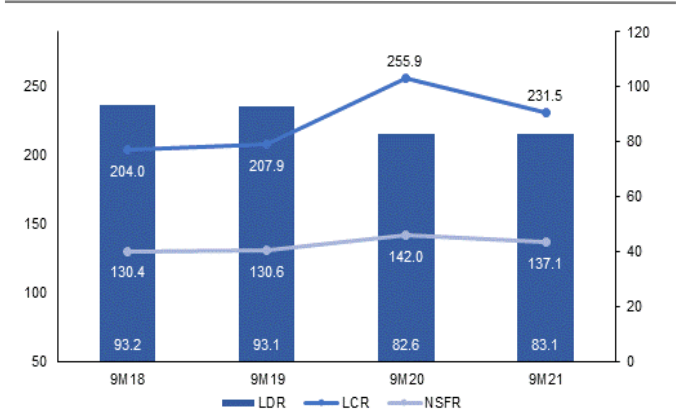
Source: Company, NHKSI Research

## Asset Quality (%)



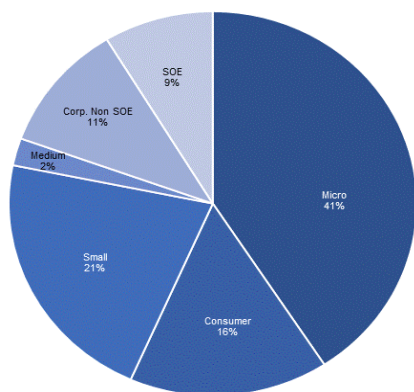
Source: Company, NHKSI Research

## Liquidity (%)



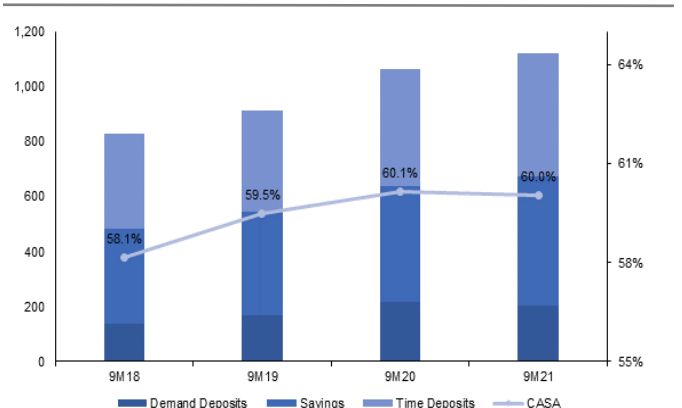
Source: Company, NHKSI Research

## Loan Composition by Segment



Source: Company, NHKSI Research

## Third Party Funds Composition (IDR Trn)



Source: Company, NHKSI Research

## A Glance at BBRI



### Kapitalisasi Pasar Besar di ASEAN

Perbankan Indonesia dengan karakteristik tawaran tingkat bunga kredit yang lebih tinggi dibanding kompetitornya menjadikan industri tersebut investasi memikat di negara kawasan ASEAN. BBRI adalah bank komersial milik pemerintah dengan aset terbesar di Indonesia berfokus pada kredit UMKM. Besarnya jumlah total kredit yang didistribusikan oleh BBRI menjadikannya bank dengan kapitalisasi pasar domestik dan ASEAN yang relatif besar. Pencapaian ini mendorong kapitalisasi pasar BBRI melampaui BMRI di skala nasional, sedangkan di skala ASEAN sukses lampau OCBC Singapura.

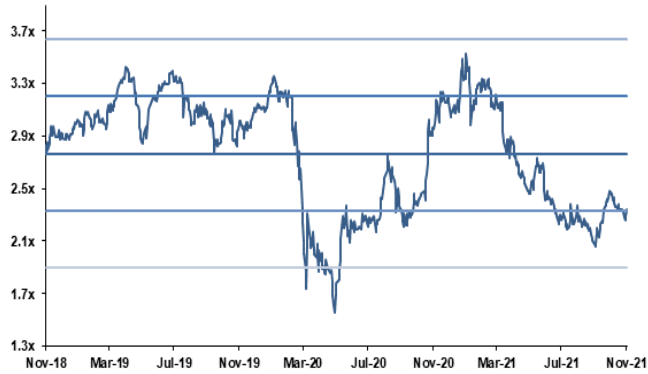
### ASEAN Banking Sector

Company	Ticker	Market Cap (USD Mn)	Total Assets (USD Mn)	Net Interest Margin (LTM) (%)	ROE (%)	P/E (x)	P/B (x)	Dividend Yield LTM (%)
<b>INDONESIA</b>								
Bank Rakyat Indonesia Tbk	BBRI IJ	45,667	108,568	5.7	10.1	22.5	1.9	2.2
Bank Negara Indonesia Tbk	BBNI IJ	9,284	64,010	5.5	5.8	19.6	1.1	0.6
Bank Central Asia Tbk	BBCA IJ	64,626	77,240	5.4	16.4	30.3	4.6	1.4
Bank Mandiri Tbk	BMRI IJ	23,479	102,645	5.1	10.5	17.3	1.8	3.1
<b>SINGAPORE</b>								
DBS Group Holdings Ltd	DBS SP	60,426	491,893	1.4	10.8	13.4	1.4	2.7
United Overseas Bank Ltd	UOB SP	33,295	326,810	1.6	8.5	13.7	1.1	3.7
Oversea-Chinese Banking Corp.	OCBC SP	39,917	394,608	1.6	8.7	12.4	1.0	3.4
<b>MALAYSIA</b>								
CIMB Group Holdings Bhd	CIMB MK	12,729	149,821	2.2	6.9	13.3	0.9	2.9
<b>THAILAND</b>								
Bangkok Bank Public Co. Ltd	BBL TB	7,038	127,453	1.6	4.9	10.4	0.5	2.8
Siam Commercial Bank Pub Co.	SCB TB	12,519	109,298	2.7	7.9	12.8	1.0	3.0

Source: Bloomberg

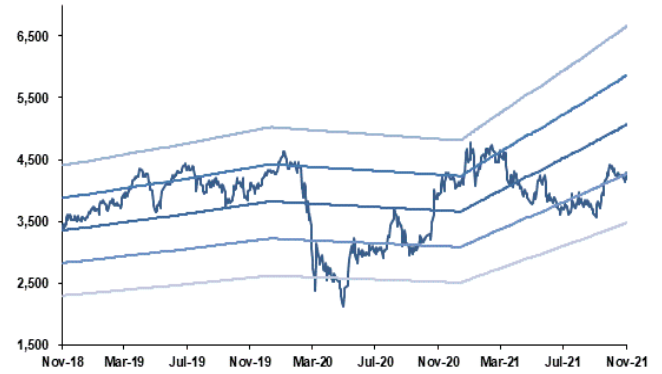
## Multiple Valuation

Forward P/B Band | Last 3 years



Source: NHKSI Research, Bloomberg

Dynamic Forward P/B Band | Last 3 years



Source: NHKSI Research, Bloomberg

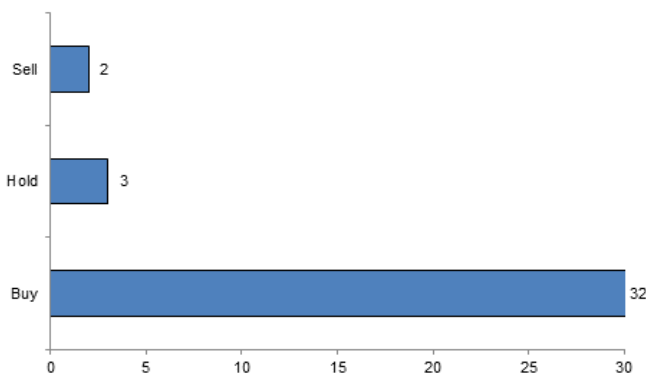
## Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
06/19/2020	Hold	3,010	3,100	3,180	-2.9%	-5.3%
09/11/2020	Buy	4,000	3,250	3,838	+23.0%	+4.2%
11/27/2020	Overweight	4,500	4,270	4,394	+5.4%	+2.4%
03/05/2021	Overweight	5,100	4,760	5,135	+7.1%	-0.7%
11/26/2021	Overweight	4,800	4,220	4,832	+13.7%	-0.7%

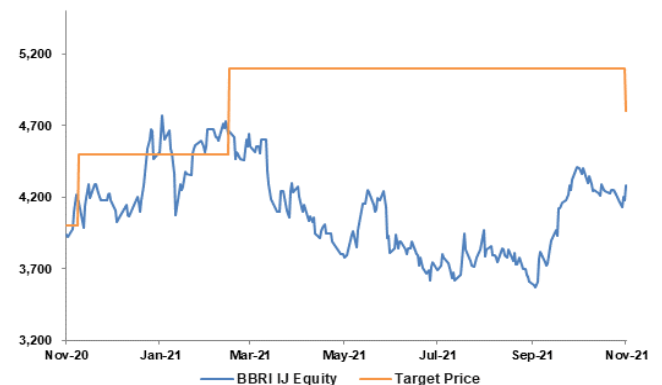
Source: NHKSI Research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research, Bloomberg

## Summary of Financials

INCOME STATEMENT				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
<b>Interest Income</b>	<b>116,933</b>	<b>125,566</b>	<b>131,119</b>	<b>137,877</b>
Growth (% y/y)	-4.0%	7.4%	4.4%	5.2%
Interest Expenses	(37,723)	(31,134)	(34,979)	(35,174)
<b>Net Interest Income</b>	<b>79,210</b>	<b>94,432</b>	<b>96,140</b>	<b>102,703</b>
Net Interest Margin	5.8%	6.4%	6.2%	6.3%
Net Fee Income	15,123	15,355	16,994	17,427
Trading Income	4,461	5,361	5,436	5,819
Other Operating Income	10,762	11,365	12,316	12,759
<b>Operating Revenue</b>	<b>109,555</b>	<b>126,513</b>	<b>130,886</b>	<b>138,708</b>
Operating Expenses	(50,007)	(53,015)	(57,296)	(59,423)
<b>Pre-provisioning OP</b>	<b>59,549</b>	<b>73,497</b>	<b>73,591</b>	<b>79,285</b>
Provision for Impairment	(32,775)	(34,621)	(24,014)	(19,389)
<b>EBT</b>	<b>26,725</b>	<b>38,815</b>	<b>49,515</b>	<b>59,830</b>
Income Tax	(8,064)	(11,189)	(14,607)	(17,448)
Non-controlling Interest	(6)	611	381	700
<b>Net Profit</b>	<b>18,655</b>	<b>28,238</b>	<b>35,289</b>	<b>43,082</b>
Growth (% y/y)	-45.7%	51.4%	25.0%	22.1%

PROFITABILITY & STABILITY				
	2020/12A	2021/12F	2022/12F	2023/12F
ROE	9.1%	11.6%	12.0%	13.8%
ROA	1.3%	1.8%	2.1%	2.5%
Non-Int. Inc. /Op. Rev	27.7%	25.4%	26.5%	26.0%
Cost/Income	45.6%	41.9%	43.8%	42.8%
Cash Dividend (IDR bn)	20,624	12,126	17,648	22,497
Dividend Yield (%)	3.4%	1.7%	2.4%	3.1%
Payout Ratio (%)	110.6%	42.9%	50.0%	52.2%
Loan/Deposits	84.0%	87.6%	88.3%	89.1%
Loan/Assets	62.3%	62.3%	62.2%	62.8%
NPL	2.9%	3.6%	3.3%	3.4%
Loan Loss Res./Loan	7.1%	8.7%	9.9%	11.2%
CASA/Deposits	59.7%	59.9%	59.0%	58.6%
Time Deposits/Deposits	40.3%	40.1%	41.0%	41.4%
Par Value (IDR)	250	250	250	250
Total Shares (mn)	151,277	151,277	151,277	151,277
Share Price (IDR)	4,068	4,800	4,800	4,800
Market Cap (IDR tn)	615.4	726.1	726.1	726.1

BALANCE SHEET				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
Cash	32,162	37,761	56,081	56,080
Placement in Banks	127,113	150,810	148,574	161,605
Net Loans	875,166	930,491	943,175	991,953
Investment	375,575	382,394	398,703	419,490
Fixed Asset	32,185	52,237	60,104	62,675
Other Assets	69,604	79,444	79,739	85,913
<b>Total Assets</b>	<b>1,511,805</b>	<b>1,633,137</b>	<b>1,686,375</b>	<b>1,777,715</b>
Deposits	1,121,102	1,161,561	1,188,945	1,251,442
Debt	136,188	116,164	131,666	131,870
Other liabilities	54,603	69,999	64,778	71,800
<b>Total Liabilities</b>	<b>1,311,893</b>	<b>1,347,725</b>	<b>1,385,390</b>	<b>1,455,111</b>
Capital Stock & APIC	9,579	75,746	75,746	75,746
Retained Earnings	166,972	182,171	199,812	220,397
<b>Shareholders' Equity</b>	<b>199,912</b>	<b>285,412</b>	<b>300,985</b>	<b>322,604</b>

VALUATION INDEX				
	2020/12A	2021/12F	2022/12F	2023/12F
Price /Earnings	33.0x	25.7x	20.6x	16.9x
Price /Book Value	3.1x	2.5x	2.4x	2.3x
Price/Op. Revenue	5.6x	5.7x	5.5x	5.2x
PE/EPS Growth	-0.7x	0.5x	0.8x	0.8x
EV/Operating Revenue	6.6x	6.4x	6.1x	5.8x
EV/PPOP	12.1x	11.0x	10.9x	10.2x
EV (IDR bn)	721,955	807,640	804,536	804,884
Op. Rev. CAGR (3-Yr)	5.8%	7.4%	5.6%	8.2%
EPS CAGR (3-Yr)	-13.7%	-4.4%	0.9%	32.2%
Basic EPS (IDR)	123	187	233	285
Diluted EPS (IDR)	123	187	233	285
BVPS (IDR)	1,321	1,887	1,990	2,133
Op. Revenue PS (IDR)	724	836	865	917
DPS (IDR)	136	80	117	149

CASH FLOW STATEMENT				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
Operating Cash Flow	2,492	30,691	59,291	64,395
Investing Cash Flow	(157,533)	(36,937)	(64,141)	(110,707)
Financing Cash Flow	85,740	20,130	23,170	41,237
<b>Net Changes in Cash</b>	<b>(69,300)</b>	<b>13,884</b>	<b>18,320</b>	<b>(5,075)</b>

OWNERSHIP		
By Geography	% Shareholders	%
Indonesia	76.7	Republic of Indonesia 56.8
United States	10.8	JP Morgan Chase 1.9
Luxembourg	4.1	Vanguard Group 1.5
Others	8.4	Others 39.9

Source: NHKSI Research, Bloomberg

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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